GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4259
ANSWERED ON:15.12.2000
EXPORT OBLIGATION FOR AUTO INDUSTRY
ZORA SINGH MANN

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Auto Industry has requested the Government to do away with the existing provisions relating to export obligation;

(b) if so, the date on which the said request was received by the Government and the decision taken thereon;

(c) whether Auto Industry has been fulfilling the export obligations so far; and

(d) if so, the names of the institutions in the country, which have fulfilled the said obligations and exported accordingly along with the names of those which have not fulfilled these obligations in the matter of exports?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI OMAR ABDULLAH)

(a) and (b) : No specific proposal/suggestion on this issue from any company has been received. However , several suggestions from different quarters including the car manufacturing Industry have been received for incorporation in the new Auto Policy which is in the process of being finalised.

(c) and (d) : As per the present policy the passenger car manufacturers are required to sign a Memorandum Of Undertaking (MOU) with the Government of India committing themselves to achieving a broad neutralisation of foreign exchange in terms of balancing between the actual CIF value of imports of CKD/SKD kits/Components and the FOB value of exports of cars and auto components The period for this export obligation commences from the third year of commencement of production. The period of fulfillment of Export Obligation is still not over. Hence, the question of a company not fulfilling the export obligation does not arise at this stage.